

Federal Rule: 45 CFR 147.102

- Maximum limit on tobacco rate-ups in the individual and small group markets – 1.5/1
- Small group- avoid rate-up if you participate in smoking cessation through wellness program
- Defines tobacco use
- March 29: deadline for states to tell CMS if they will further limit rate-ups for 2014.



Tobacco user definition

- Use of tobacco:
 - Average 4 or more times per week
 - Time period: Past 6 months

- Includes all tobacco products

Tobacco Rating: Cost Example

- At his age, John's premiums would be \$600/month. But he smokes. He can be charged:
 - $\$600 + \$300 \text{ tobacco surcharge} = \$900.$

Premium Credits Don't Help

- Jim earns \$17,235/year (150% of poverty). Premium credits allow him to buy pay \$57/month (\$690/ year) for coverage.
- But since he smokes, he has to pay a 50% surcharge on the full cost of coverage:
 - $\$57 + \$300 = \$357/\text{month}$

Smoking by income (2008)

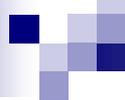
Do you smoke?

Among national adults, by annual income

■ % Yes



GALLUP POLL



Smoking status and mental health

- Adults with mental illnesses are more likely to smoke cigarettes and less likely to quit than people without mental illnesses.
- 36 percent of people with mentally illnesses smoke, compared with 21 percent of those without mental illnesses.

US Center for Disease Control, 2013